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United Kingdom

Fresh Deciduous Fruit

UK apple promotions in full swing / U.S. still the fourth largest supplier

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Report Highlights:

The U.S. is still the fourth largest supplier of apples to the UK. With the UK apple harvest in full swing, a number of promotional events and campaigns are in operation to help support the marketing of the domestic crop. However, with limited storage capacity, the UK remains reliant on imports to meet the market demand for apples. U.S. apple exports to the UK increased by 13 percent in the most recent marketing year, despite some changes to phytosanitary issues for third country suppliers.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
London [UK1]
[UK]

Domestic Apple Promotion

The current UK apple harvest is reported to be benefiting from a variety of promotions. An array of media campaigns and in-store marketing activities has been rolled out to coincide with the increased availability of domestic apples on supermarket shelves. In previous seasons, the UK top fruit industry has been critical of the lack of support offered by the major supermarket chains. However, leading retailers have made commitments to promote British produce. Market leader Tesco is using point of sale materials to flag UK apples in stores. The UK's third largest supermarket chain, Sainsbury, feature English apples in their latest TV advertising campaign. In addition, a number of local events took place last weekend as part of the National Apple Day celebrations to highlight regional apple heritage at venues across the UK.

Trade media reports suggest that the visibility of the current promotions has helped to strengthen relationships throughout the supply chain. Although sales figures are not available, there is confidence that the promotional activities will help boost domestic apple sales in both the short and long term.

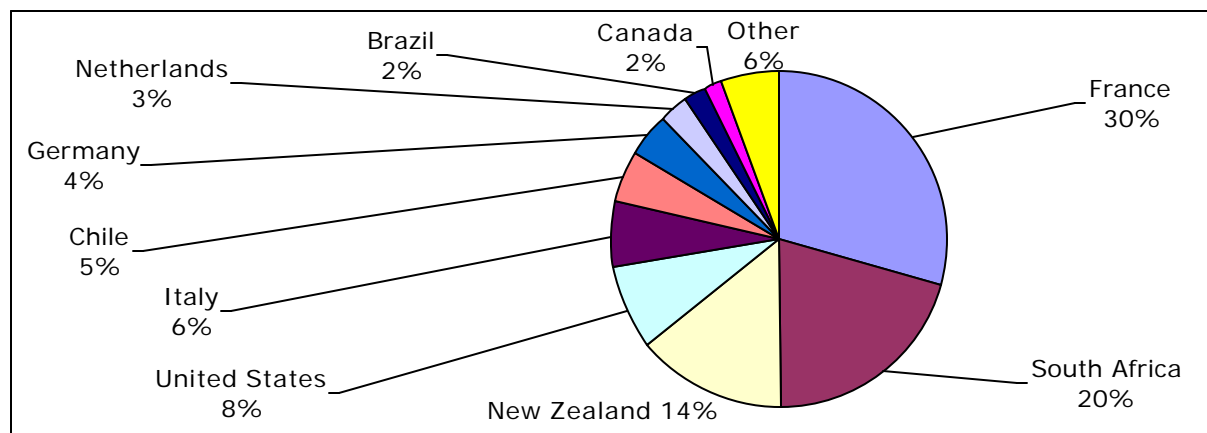
Import Reliance Continues

Despite the current coverage given to English apples, the UK remains reliant on imports to meet domestic demand for apples throughout the year. Total imports of apples increased by over 6 percent in MY2004 to 517,558 MT. The key suppliers to the UK are France, South Africa and New Zealand. Collectively, they typically supply approximately two thirds of the apple volume entering the UK.

The U.S. has traditionally been the fourth largest supplier to the UK market and U.S. apple exports to the UK have increased dramatically over the last two seasons, according to the latest trade data. MY2004 shipments totaled 34,170 MT (the UK marketing year runs from July 1 through June 30). This represents a 13 percent year-on-year increase and is more than 50 percent greater than the volume recorded in MY2002. Shipments in MY2004 were at the highest level since MY1998.

The relatively high average price of U.S. shipments entering the UK continues to reflect the premium positioning of U.S. apples in UK retail outlets. In value terms, U.S. apple exports to the UK increased by 30 percent in MY2004, generating revenues of \$46.1 million for U.S. shippers. The import share of apples from the U.S. is presented in the chart below.

Chart: Import Share of Apple Shipments to the United Kingdom by Country in MY2004. Total Imports = US \$564 million. Source: World Trade Atlas



Regulatory Issues

Since 2004, there have been some changes to entry requirements for apples entering the UK. The current certification requirements and relevant links are summarized below.

Import Duties:

To calculate import duties for most fruit and vegetables, including apples, the Entry Price System is used. The Tariff indicates a scale of entry prices per 100 Kg net. At the highest point on the scale, the Tariff indicates an ad valorem rate of duty only. As you proceed down the scale specific charges are introduced. Thus the lowest entry price generates the highest specific charge in addition to the ad valorem duty. Contact USDA London for more information.

Marketing Standards:

The UK conforms to the EU Quality Standards on all fresh produce. Each EU standard prescribes minimum marketing requirements for quality, size, tolerances, presentation and marking.

The relevant EC legislation and marketing standards for apples and pears are available online at: <http://www.defra.gov.uk/hort/hmi/common/standard.htm>

Conformity Certificate:

All consignments of produce subject to Marketing Standards that are imported into the UK from countries outside of the European Union are required to have a valid conformity certificate prior to release into free circulation in the EU (EU Regulation 1148/2001). The regulations also oblige importers to provide all information necessary for the inspection authority to carry out their checks. The UK has established a system to enable importers to notify the inspection authority via the Internet. This system is known as PEACH and registrations can be made online (<http://peach.defra.gov.uk>).

Phytosanitary Certification:

Apples require a phytosanitary ("plant health") certificate to enter the UK. More information is available in the UK Plant Health Guide for Importers and is available online: <http://www.defra.gov.uk/planth/publicat/importer/impguide.pdf>

Further Information

More detailed information is available in USDA London's Fresh Deciduous Fruit report for the UK - view online at: <http://www.fas.usda.gov/gainfiles/200509/146130811.pdf>